

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2000-327-C - ORDER NO. 2000-1000
DECEMBER 13, 2000

IN RE: Consumer Advocate for the State of South Carolina,)	ORDER OF DISMISSAL
)	
)	
Complainant/Petitioner,)	
)	
vs.)	
)	
Verizon South, Inc. (f/k/a GTE South, Inc.))	
)	
Defendant/Respondent.)	
)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Petition for Order of Dismissal filed on behalf of Verizon South, Inc. (formerly GTE South, Inc.)(Verizon or the Company). The effect of such an Order would be to dismiss Verizon from Docket No. 2000-327-C. The grounds for said Petition are that Verizon has previously elected to have its rates, terms, and conditions regulated under the alternative regulation provisions of S.C. Code Section 58-9-576.

The Consumer Advocate for the State of South Carolina (the Consumer Advocate) filed a Complaint, which requested an order creating a new docket to review the rates, charges and earnings of GTE South, Inc. based on its operations for the year 1999. Among other things, the Consumer Advocate alleged that, as the result of the

Interim LEC Fund process, the Company has benefited from increased revenues and earnings stability, due to the increases in basic local exchange rates and increasing minutes of use for toll access that have occurred during the process since the beginning of 1997. After answering the Petition, Verizon, on November 30, 2000, filed a Petition for Order of Dismissal of the Consumer Advocate's complaint.

In support of its Petition, Verizon noted that on September 14, 2000, the Company filed notice with the Commission of its election to have its rates, terms, and conditions regulated under alternative regulation in accordance with the provisions of S.C. Code Ann. Section 58-9-576. Verizon stated that the Commission had previously approved local interconnection agreements between Verizon and entities not affiliated with Verizon. Further, Verizon noted that the election of alternative regulation is now effective, since more than thirty (30) days have elapsed since proper notice was filed with the Commission. According to Verizon, pursuant to the provisions of S.C. Code Ann. Section 58-9-576(B)(2), the rates, terms, and conditions in all Verizon tariffs and contracts existing on September 14, 2000 are considered as a matter of law to be just and reasonable. Accordingly, Verizon alleges that a review of the rates and earnings of the Company would be improper, since Verizon is no longer subject to rate of return or rate base monitoring.

This Commission had previously determined that the plain language enacted by S.C. Code Ann. Section 58-9-576 must be followed. See Order No. 2000-030 in Docket No. 1999-178-C at 14. We have previously stated that we have no authority to change rates previously approved which are not the subject of any appeal when a Local

Exchange Carrier (LEC) has lawfully elected alternative regulation under Section 58-9-576. Id. at 14-17. Accordingly, having lawfully elected alternative regulation under Section 58-9-576 on September 14, 2000, the Commission has no authority to make retroactive or going forward rate adjustments in the present matter either. We see nothing in this case which would require a different holding than that seen in Order No. 2000-030. Since we have no ability to make rate adjustments pursuant to the statute, nor to make any other changes with regard to rates in order to position the Company for receipt of funds from any future Universal Service Fund, we have no alternative but to grant Verizon's Petition for Order of Dismissal in this matter. The Complaint against Verizon is hereby dismissed and Docket No. 2000-327-C shall be closed.

This Order shall remain in full force and effect until further Order of the Commission.


Chairman

ATTEST:


Executive Director

(SEAL)